

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0197-07
Bill No.: Truly Agreed To and Finally Passed CCS for HCS for SB 51
Subject: Transportation; Motor Vehicles; Roads and Highways
Type: Original
Date: June 10, 2013

Bill Summary: This proposal changes the laws regarding the regulation of motor vehicles.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	Less than \$1,545,147	Less than \$1,854,171	Less than \$1,854,171
Total Estimated Net Effect on General Revenue Fund	Less than \$1,545,147	Less than \$1,854,171	Less than \$1,854,171

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Highway Fund	Less than \$541,952	Less than \$650,344	Less than \$650,344
Total Estimated Net Effect on <u>Other</u> State Funds	Less than \$541,952	Less than \$650,344	Less than \$650,344

Note: The fiscal note does not reflect the possibility that some of the tax credits could be utilized by insurance companies against insurance premium taxes. If this occurs, the loss in tax revenue would be split between the General Revenue Fund and the County Foreign Insurance Fund, which ultimately goes to local school districts.

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 21 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	\$180,651	Less than \$216,781	Less than \$216,781

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Department of Corrections, Office of the State Courts Administrator, Department of Labor and Industrial Relations, Office of the State Public Defender, Department of Agriculture and Department of Public Safety - Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a previous version, officials from the **Office of the Secretary of State (SOS)** assumed many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500.

The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

In response to a previous version, officials from the **Office of Prosecution Services** assumed the proposal would have no fiscal impact on their organization.

§135.710

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** state this proposal will have an unknown reduction of premium tax revenues as a result of the creation of the tax credit for qualified alternative fuel conversion on motor vehicles is possible. Premium tax revenue is split 50/50 between General Revenue and County Foreign Insurance Fund except for domestic Stock Property and Casualty Companies who pay premium tax to the County Stock Fund. The County Foreign Insurance Fund is later distributed to school districts through out the state. County Stock Funds are later distributed to the school district and county treasurer of the county in which the principal office of the insurer is located.

ASSUMPTION (continued)

It is unknown how each of these funds may be impacted by tax credits each year. The department will require minimal contract computer programming to add this new tax credit to the premium tax database and can do so under existing appropriation. However, should multiple bills pass that would require additional updates to the premium tax database, the department may need to request more expense and equipment appropriation through the budget process.

DIFP will require minimal contract computer programming to add this new tax credit to the premium tax database and can do so under existing appropriation. However, should multiple bills pass that would require additional updates to the premium tax database, the department may need to request more expense and equipment appropriation through the budget process.

Oversight notes that according to the Tax Credit Analysis submitted by the Department of Natural Resources regarding this program, the Alternative Fuel Stations tax credit program had the following activity;

	FY 2010	FY 2011	FY 2012
Amount Issued	\$0	\$87,925	\$91,365
Amount Redeemed	\$0	\$23,365	\$45,690

Oversight assumes the Alternative Fuel Station tax credit previously stopped on January 1, 2012. This proposal extends this tax credit beginning on January 1, 2014 (FY 2014) and therefore Oversight will reflect a loss to state revenue for the credits issued in FY 2015 and FY 2016. The credit had a \$1 million dollar cap. Oversight will reflect the lost revenue to the State up to the annual limit of \$1 million.

This proposal also expands the Alternative Fuel Stations credit to allow it to be claimed against twenty-five or more vehicle fleet conversions to natural gas beginning on January 1, 2014. This credit does not have an annual cap. Therefore, Oversight will show the impact to the State as Unknown.

In response to a similar proposal (SB 103), officials at the **Office of Administration - Budget and Planning** assumed this proposal extends the sunset on the Alternative Fuels Tax Credit from 2012 to 2019. In FY 2012, \$45,690 was redeemed under this program. This proposal also broadens the program to include any eligible applicant that makes twenty-five or more qualified fuel conversions. There is no cap on the expanded program. This expansion will reduce General and Total State Revenues by an unknown amount.

ASSUMPTION (continued)

§136.055

Officials from the **Department of Revenue (DOR)** state this proposal increases processing fees on the following transactions;

- Registrations issued, renewed, or transferred from \$3.50 to \$5.00 for annual and \$7.00 to \$10.00 for biennial registrations;
- Title applications, including transfer applications from \$2.50 to \$5.00;
- Driver license address change or instruction permit, nondriver license, chauffeur, operator or driver licenses issued for a period of three years or less from \$2.50 to \$5.00 and from \$5.00 to \$10.00 for those issued for a period exceeding three years; and
- Notice of lien processing fee from \$2.50 to \$5.00.

This will impact the Motor Vehicle Bureau, Driver License Bureau and the License Office Contracts.

Administrative Impact:

Motor Vehicle Bureau (MVB):

Requires procedures to be modified by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,206 in FY14.

The Department's web site will need to be updated. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$325 in FY14.

In summary, DOR-MVB assumes a cost of \$1,531 (\$1,206 + \$325) in FY 2014 to provide for the implementation of the changes in this proposal.

Driver License Bureau (DLB):

The proposed changes will required the Department to:

- Modify procedures, forms and manuals with reference to fees;
- Update web site information related to office processing fees;
- Modify driver license system accounting code tables to increase the fee amounts to reflect the proposed changes; and

ASSUMPTION (continued)

- Test to ensure the fees are calculating and updating to the Missouri Transportation Accounting System (MTAS) properly.

FY 14- Drivers License Bureau

Requirements and procedures development and end user testing by DLB:

Administrative Analyst -	80 hrs @ \$24.00(1 ½) per hr =	\$1,920
Management Analyst Spec. II -	120 hrs @ \$23.00 per hr =	\$2,760
Revenue Band Manager -	40 hrs @ \$30.00 per hr =	<u>\$1,200</u>
	Total =	\$ 5,880

FY 14 – Personnel Services Bureau

Update Web Page - Administrative Analyst III	10 hrs @ \$22.00 = \$ 220
Update Forms and Manuals - Management Analysis Sp I	<u>40 hrs @ \$20.00 = \$ 800</u>
	Total = \$1,020

OA-ITSD (DOR):

This proposal will require modifications to the Title and Registration Intranet Processing System software, the Online Notice of Lien program, plates.mo.gov and the renewal print program, and testing. Additionally, the MTAS table will need to be changed to account for the increased fee.

The IT portion of the fiscal impact is estimated with a level of effort valued at \$9,846 in FY 14.

The value of the level of effort is calculated on 364 FTE hours.

MV – 348 hours
MEDL-CI – 16 hours

In summary, DOR assumes a cost of \$18,277 (\$1,531 + \$5,880 + \$1,020 + \$9,846) in FY 2014 to provide for the implementation of the changes in this proposal.

ASSUMPTION (continued)

Revenue Impact:

Motor Vehicle Bureau (MVB):

Increasing the agent (processing) fees for new, renewed, or transferred registrations, title applications, and notice of lien processing will increase general revenue funds for processing fees collected on marines, manufactured homes, and all-terrain vehicles (ATV) and will increase highway funds for processing fees collected on motor vehicles and trailers processed by the central office in Jefferson City.

Motor vehicle renewals are renewed annual or biennially. Previous studies by the Department revealed that approximately 57% of all renewals are biennial and 43% are annual. These percentages are used below for increased registration processing fees. The processing fee will increase by \$1.50 for annual renewals and \$3 for biennial renewals. The following chart includes motor vehicle transactions that were completed by the central office in Jefferson City and through the online renewal program:

<u>Increase in Processing Fees Distributed to Highways, Cities and Counties</u>	
Registrations	\$465,097
Titles	<u>\$363,805</u>
Total	\$828,902

The increased processing fees will be distributed as follows:

Highway Funds (75%) - \$621,677

Cities (15%) - \$124,335

Counties (10%) - \$82,890

The following chart includes marine, ATV and manufacture home transactions that were completed by the central office in Jefferson City and through the online renewal program:

<u>Increase in Processing Fees Distributed to General Revenue</u>	
Registrations	\$8,406
Titles	\$20,123
Notice of Lien	<u>\$1,220,940</u>
Total	\$1,249,469

In summary, DOR-MVB assumes \$1,249,469 will be distributed to the General Revenue Fund.

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ASSUMPTION (continued)

Driver License Bureau (DLB):

This legislation increases the processing fee for new, renewal and duplicate driver license, temporary instruction permit and nondriver license transactions.

The following chart includes new, renewal and duplicate diver license, temporary instruction permit and nondriver license transactions completed through the central office:

<u>Increase in Processing Fees Distributed to Highways, Cities and Counties</u>	
3 Year Transactions	\$2,498
6 Year Transactions	<u>\$35,725</u>
Total	\$38,223

The increased processing fees will be distributed as follows:

Highway Funds (75%) - \$28,667

Cities (15%) - \$5,734

Counties (10%) - \$3,822

The following chart includes address change transactions completed through the central office:

<u>Increase in Processing Fees Distributed to General Revenue</u>	
Address Change	\$535

License Office Impact:

During fiscal year 2012, license offices processed the number of transactions below at processing fee shown. This proposed legislation will result in a fee increase of \$2.50 for all transactions that are currently \$2.50, \$1.50 fee increase for all transactions that are currently \$3.50, a \$3 increase for all transactions that are currently \$7.00 and a \$5.00 increase for all transactions that are currently \$5.00. Currently, there is no fee for an address change, so all of the \$5.00 charge for an address change will be an increase in revenue for the license offices.

The overall revenue increase for license offices (182) is:

FY 14 - \$16,551,817

FY 15 & FY 16 - \$19,862,180

ASSUMPTION (continued)

Note: Increasing fees will increase the amount of Return to State. Return to State is based on a percentage of the office's overall revenue. Return to state is distributed to the General Revenue Fund. The estimated increase is \$604,167.

In summary, DOR assumes \$1,854,171 ($\$1,249,469 + \$535 + \$604,167$) will be distributed to the General Revenue Fund, \$650,344 ($\$621,677 + \$28,677$) will be distributed to the Highway Fund, and \$216,781 ($\$124,335 + \$82,890 + \$5,735 + \$3,822$) will be distributed to the Local Funds due to the implementation of the changes in this proposal.

§301.140

DOR states this section allows an individual who purchases a salvage vehicle to title such vehicle to obtain a safety inspection and then purchase a temporary permit for purposes of transporting a salvage vehicle to and from a Missouri State Highway Patrol inspection station.

The Department anticipates a slight increase in revenue received from those individuals purchasing such permits and a slight increase in cost to produce such permits. Any increase will be unknown to minimal. The revenue derived from the temporary permit is distributed as follows:

75% highways;
15% cities; and
10% counties.

Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,206 in FY 14. The Department's website will need to be updated. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$325 in FY 14.

In summary, DOR assumes a cost of \$1,531 ($\$1,206 + \325) in FY 2014 to provide for the implementation of the changes in this section of the proposal.

ASSUMPTION (continued)

301.301

Oversight assumes this section of the proposal deletes provisions allowing an applicant to receive, at no cost, up to two sets of two license plate tabs per year for the replacement of a stolen tab issued on or after January 1, 2009 with a police report corresponding with the stolen tab.

Oversight assumes this section also allows an applicant to receive, at no cost, up to two sets of two license plate tabs per year for the replacement of a stolen tab with a notarized affidavit verifying that the license plate tab or tabs were stolen.

Officials from the **Department of Revenue (DOR)** state in FY 2012 there were 18,288 total replacement tabs issued when the originals were stolen. 4,454 of those replacement tabs were issued at no fee when a police report was presented for stolen tabs, leaving 13,834 issued with the \$8.50 replacement fee charged.

DOR assumes that by not requiring a police report for the issuance of replacement tabs at no fee when the originals were stolen and by requiring only a notarized affidavit of such, may result in the replacement tabs issued with a fee of \$8.50 now being able to obtain replacement tabs at no fee.

Motor Vehicle Bureau

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,206 in FY 14.
- The Application for Replacement Plate(s)/Tab(s) will need to be revised. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$1,206 in FY 14.
- The Department's website will need to be updated. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$325 in FY 14.

DOR assumes a cost of \$2,953 (\$1,206 + \$1,206 + \$325 + \$216) in FY 2014 to provide for the implementation of the changes in this section of the proposal.

ASSUMPTION (continued)

Revenue Impact

DOR assumes this proposal may result in a reduction of state revenue received from the \$8.50 replacement fee. As stated above, potentially 13,834 replacement tabs, normally assessed the replacement fee, may be issued at no fee if accompanied by a notarized affidavit.

This will result in an overall loss of \$97,991 in FY 14 (10 Months), and \$117,589 in FY 15 and FY 16 to the General Revenue Fund.

Current Replacement Tabs	18,288
Current Replacement Tabs at No Fee	- 4,454
New Tabs at no Fee	13,834
Replacement Tab Fee	x \$8.50
Projected loss	\$117,589

Oversight assumes the number of replacement tabs requested at no fee with a notarized affidavit will increase from the current free tab replacement process but vary from year to year.

Oversight assumes some taxpayers will simply pay the \$8.50 replacement fee instead of obtaining a notarized affidavit. Oversight will assume a loss of under \$100,000 each year from this section to General Revenue.

\$301,449

The fiscal impact shown below is based on the current holders of out-of-state college specialty license plates. This legislation would allow these individuals to continue renewing their specialty license plates.

In response to a previous version, officials from the **Missouri State University, University of Missouri** and **Department of Higher Education** each assumed the proposal would have no fiscal impact on their respective organizations.

Officials from the **Department of Revenue (DOR) - Motor Vehicle Bureau (MVB)** state the following procedures will need to be implemented for the changes in this proposal:

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,206 in FY 14.

ASSUMPTION (continued)

- The Application for Military Personalized License Plates (DOR-4601) will need to be revised to include a new plate type. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$1,206 in FY 14.
- DOR's website will need to be updated to include the new plate type. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$325 in FY 14.
- The Department would incur 20 overtime hours for a Revenue Processing Tech II to work with military personnel on the design of the plate and finalizing the design at a cost of \$420 in FY 14.
- The Department would incur 20 overtime hours for a Revenue Processing Tech II to set up the new specialty plate within MVB systems and testing at a cost of \$420 in FY 14.
- The IT portion of the fiscal impact is estimated with a level of effort valued at \$433.

In summary, DOR assumes a cost of \$4,010 ($\$1,206 + \$1,206 + \$325 + \$420 + \$420 + 433$) in FY 2014 to provide for the implementation of the changes in this proposal.

The Department pays \$3.50 per plate, \$7 per set of plates, for manufacturing flat plates through Missouri Vocational Enterprises.

It is unclear as to how many applicants will apply for this plate. The Department assumes a minimum of 200 applications per year at cost to the General Revenue Fund of \$1,167 (10 Months) in FY 14, \$1,435 in FY 15, and \$1,471 in FY 16.

It currently costs the Department, on average, \$5.55 to ship a box of 10 sets of plates to contract offices once they have completed the manufacturing process through MVE. The Department assumes 200 applicants per year would apply for these plates at cost the Department \$93 in FY 14 (10 Months), \$114 in FY 15, and \$117 in FY 16 to ship 200 sets of plates to contract offices in various regions across the state.

Note: \$5.55 is an average cost, as the cost may decrease or increase based on the weight of the package, the area to which it is being sent, and how many boxes are being sent at one time.

The Department would incur an additional postage cost for mailing notifications to those applicants notifying them their plates are ready for pickup at the respective license office.

ASSUMPTION (continued)

- Assuming 200 applications per year would cost the Department \$123 in FY 14 (10 Months), \$152 in FY 15, and \$155 in FY 16 for envelopes (\$0.04), letters (\$0.025), and postage (\$0.45).

In summary, DOR assumes a cost to the General Revenue Fund of \$1,383 (\$1,167 + \$93 + \$123) in FY 2014, \$1,701 (1,435 + \$114 + \$152) in FY 15 and \$1,743 (\$1,471 + \$117 + \$155) in FY 16 to provide for the implementation of the changes in this part of the proposal.

Revenue Impact

Assuming 200 applications per year there would an increase in revenue from the \$15 specialty plate fee of \$2,500 in FY 14 (10 Months), \$3,000 in FY 15 and FY 16 to General Revenue.

Since it is unknown how many applications will be received for this plate, **Oversight** will estimate an increase in revenue of “Less than \$100,000”. Oversight will also estimate a cost to the General Revenue and the Highway Fund of “(Less than \$100,000)”. For fiscal years 2015 and 2016, Oversight assumes the revenue into the General Revenue Fund will at least cover the estimated costs from the proposal, resulting in a positive “Less than \$100,000” estimated net effect to the General Revenue Fund. For FY 2014, Oversight assumes the start-up costs incurred by DOR might exceed the specialty plate fee revenue if the response to the proposal is less than expected. Therefore, Oversight will range the fiscal impact in FY 2014 from a net cost of under \$100,000 to a net gain of under \$100,000.

§ 302.132.2

In response to a similar proposal (HB 655), officials from the **Department of Transportation** assumed the proposal would have no fiscal impact on their organization.

An applicant issued a temporary motorcycle instruction permit may renew the permit two additional times, for a total maximum permit period of eighteen months.

Officials from the **Department of Revenue - Driver License Bureau (DLB)** state the proposed changes will be required:

- Draft updates to website information;
- Update office procedures;
- Update the Missouri Motorcycle Operator's Manual and Missouri Driver Guide (on-line and printed versions); and

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ASSUMPTION (continued)

- Develop change requirement documents for the Missouri Electronic Driver License issuance system to define number of renewals allowed for a temporary motorcycle permit.

It is assumed these changes will be included upon next review and reorder and will not require additional costs for destruction of the prior manuals and reissuance of updated manual.

Administrative Analyst -	120 hrs @ \$24 (1 ½) per hr =	\$2,880
Management Analyst Specialist II -	160 hrs @ \$23 per hr =	\$3,680
Revenue Band Manager -	40 hrs @ \$30 per hr =	<u>\$1,200</u>
	Total =	\$7,760

Personnel costs for the Personnel Services Bureau (PSB) for updating of DLB related forms, procedures and manuals and updating of web site information related to the motorcycle permit.

Administrative Analyst III	20 hrs@ \$22 per hr =	\$ 440
2 Management Analysis Specialist I -	80 hrs@ \$21 per hr =	<u>\$1,680</u>
	Total =	\$2,120

OA-ITSD staff will need to make programming changes to the Missouri Driver License and Missouri Electronic Driver License systems.

The IT portion of the fiscal impact is estimated with a level of effort valued at \$2,164 calculated on 80 FTE hours.

It is unknown as to how many fewer renewals the Department will process as a result of this legislation. Any decrease in revenue (\$1 per renewal) will be a loss to highways, cities and counties. Decreased renewals (if any) would not happen until eighteen months after the effective date of this proposal or FY 2015.

In summary, DOR assumes a cost of \$12,044 (\$7,760 + \$2,120 + \$2,164) in FY 2014 to provide for the implementation of the changes in this proposal for this section.

Since it is unknown as to how many fewer renewals the Department of Revenue will process, **Oversight** will assume the fiscal impact of this part of the proposal will be minimal and (Less than \$100,000).

ASSUMPTION (continued)

§302.700, 302.720, 302.735 & 302.740

The proposed changes in these sections will require the **Department of Revenue (DOR)** to:

- Develop requirements and complete end user testing to modify the Missouri Electronic Driver License (MEDL) system and supporting systems to implement changes which include mandated Commercial Learner's Permit (CLP) term, standardization of restrictions and endorsements for CLP's, modifications to CDL and CLP document forms;
- Work with the new license contractor to incorporate required changes to the printed license or permit documents;
- Modify current Code of State Regulations related to third party testing and CLP issuance;
- Develop system changes and procedures to implement required secondary review of all CDL and CLP transactions and supporting documentation.

Testing CLP Issuance and Restriction Changes

Administrative Analyst -	660 hrs @ \$16 per hr =	\$10,560
Management Analyst Specialist II -	660 hrs @ \$23 per hr =	\$15,180
Revenue Band Manager II -	132 hours @ \$30 per hour=	<u>\$3,960</u>
Total =		\$29,700

Personnel Services Bureau

Update web page - Administrative Analyst III - 40 hrs @ \$22 =	\$880
Update forms - Management Analysis Spec I - 80 hrs @ \$20 =	\$1,600
Update procedures - Management Analysis Spec I - 120 hrs @ \$20 =	<u>\$2,400</u>
Total =	\$4,880

MorphoTrust costs for modification to the CLP document = **\$28,000**.

OA-ITSD staff will need to make programming changes to the Missouri Driver License System, Missouri Electronic Driver License System - Central Issuance and Central Driver Information System.

The level of effort is calculated at 3324 FTE hours @ \$27.05 per hour = **\$89,914**.

In summary, DOR assumes a cost of \$152,494 (\$29,700 + \$4,880 + \$28,000 + \$89,914) in FY 2014 to provide for the implementation of the changes in this proposal in this section.

ASSUMPTION (continued)

§302.755

The proposed changes in this section will require the **Department of Revenue (DOR)** to:

- Include CDL permit holders in the disqualification routine;
- 'Stack' most CDL disqualifications;
- Include texting and hand-held mobile telephone convictions (commercial motor vehicles only) in the serious disqualification routine;
- Updates to Procedures, Correspondence letters and Department's website;
- Requires training of staff;
- Requires a review of administrative rules for possible revisions.

OA-ITSD staff will need to make programming changes to the Missouri Driver License (MODL) system.

The level of effort is calculated at 400 hours at \$27.05 per hour totaling **\$10,820**.

§304.820

This proposal amends existing provisions for hand-held mobile phone and electronic texting to prohibit such use while operating a commercial motor vehicle (CMV), so as to comply with federal requirements in this regard.

The proposed changes in this section will require the **Department of Revenue (DOR)** to:

- Include current MODL codes for texting while driving (1153, 2153, 3153) in the serious disqualification routine when the CMV indicator is 'Y'; and
- Develop new MODL codes for driving a CMV with a hand-held mobile telephone and include it in the serious disqualification routine.

OA-ITSD Staff will need to make programming changes to MODL. The level of effort is calculated at 120 hours at \$27.05 per hour totaling **\$3,246**.

ASSUMPTION (continued)

§ 307.400.5

The newly proposed language in this section changes the exemption provisions related to vehicles transporting hazardous materials which are not covered farm vehicles and vehicles which are covered farm vehicles transporting hazardous materials that require a placard as required by federal regulation.

Administrative Impact

Driver License Bureau (DLB)

The proposed changes within section 307.400.5 will require:

- Modification to the Missouri Commercial Driver License Manual (web and printed version);
- Modification to web site information related to commercial driver licensing exemptions if applicable; and
- Drafting and filing of changes to State Code of Regulations related to farm related services.

Update Web Page - Administrative Analyst III	10 hrs @ \$22.00 = \$ 220
Update Forms and Manuals - Management Analysis Sp I	40 hrs @ \$20.00 = <u>\$ 800</u>
	Total = \$1,020

Management Analyst Spec. II -	80 hrs @ \$23.00 per hr = \$1,840
Revenue Band Manager -	80 hrs @ \$30.00 per hr = <u>\$2,400</u>
	Total = \$4,240

In summary, DOR assumes a cost of \$5,260 (\$1,020 + \$4,240) in FY 2014 to provide for the implementation of the changes in this section of the proposal.

DOR assumes a cost of \$210,635 (\$18,277+ \$1,531 + \$2,953 + \$4,010 + \$12,044 + \$152,494 + \$10,820 + \$3,246 + \$5,260) in FY 2014 for administrative cost to provide for the implementation of the changes in this proposal.

ASSUMPTION (continued)

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb some of the personal service cost related to this proposal. Oversight assumes some of DOR's anticipated work hours could be performed during the normal work day and not create an additional expense to their budget; therefore, Oversight will range the cost as up to the DOR total estimates of \$48,006 in FY 2014 and \$138,560 in FY 2015.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE FUND			
<u>Revenue - DOR</u>			
§136.055 - Increased Processing Fee	\$1,545,147	\$1,854,171	\$1,854,171
<u>Revenue - DOR</u>	Less than	Less than	Less than
§301.449- Specialty Plate Fees	\$100,000	\$100,000	\$100,000
<u>Cost - DOR</u>			
§301.449- Processing Costs for Specialty Plates	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<u>Cost - DOR</u>	(Up to \$48,006)	(Up to \$138,560)	\$0
Administrative Cost to provide for the implementation of the changes in this proposal.			
<u>Loss - DOR</u>	(Less than	(Less than	(Less than
§ 301.301 - Replacement Tab Fee	\$100,000)	\$100,000)	\$100,000)
<u>Loss - extension of the Alternative Fuels tax credit §135.710</u>	\$0	\$0 to (\$1,000,000)	\$0 to (\$1,000,000)
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>Less than</u> <u>\$1,545,147</u>	<u>Less than</u> <u>\$1,854,171</u>	<u>Less than</u> <u>\$1,854,171</u>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2014 (10 Mo.)	FY 2015	FY 2016
HIGHWAY FUND			
<u>Revenue - DOR</u>			
§136.055 - Increased processing fees	\$541,952	\$650,344	\$650,344
<u>Cost - DOR</u>	(Less than	(Less than	(Less than
§301.449- Manufacturing Cost	\$100,000)	\$100,000)	\$100,000)
<u>Loss - DOR</u>	\$0	(Less than	(Less than
§302.132.2- Reduced Renewal Fees		<u>\$75,000)</u>	<u>\$75,000)</u>
ESTIMATED NET EFFECT TO THE HIGHWAY FUND	<u>Less than</u> <u>\$541,952</u>	<u>Less than</u> <u>\$650,344</u>	<u>Less than</u> <u>\$650,344</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue</u> - Cities	\$108,391	\$130,069	\$130,069
§136.055 - Increased processing fee			
<u>Revenue</u> - Counties	\$72,260	\$86,712	\$86,712
§136.055 - Increased processing fee			
<u>Loss</u> - Cities	\$0	(Less than	(Less than
Reduced Renewal Fees §302.132		\$15,000)	\$15,000)
<u>Loss</u> - Counties			
Reduced Renewal Fees §302.132	<u>\$0</u>	(Less than <u>\$10,000</u>)	(Less than <u>\$10,000</u>)
ESTIMATED NET EFFECT TO THE LOCAL POLITICAL SUBDIVISIONS	<u>\$180,651</u>	<u>Less than \$216,781</u>	<u>Less than \$216,781</u>

Note: The fiscal note does not reflect the possibility that some of the tax credits could be utilized by insurance companies against insurance premium taxes. If this occurs, the loss in tax revenue would be split between the General Revenue Fund and the County Foreign Insurance Fund, which ultimately goes to local school districts.

FISCAL IMPACT - Small Business

Fee offices would realize increased revenues of \$16,551,817 in FY 2014 and \$19862,180 in subsequent years due to provisions of **§136.055** of this proposal.

Small business towing companies may incur additional costs complying with Section 304.154.

FISCAL DESCRIPTION

This proposal changes several provisions of the laws regarding the regulation of motor vehicles.

Parts of this legislation are federally mandated. The proposal would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Department of Revenue
Department of Public Safety
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of the State Courts Administrator
Office of the State Public Defender
Department of Corrections
Department of Insurance, Financial Institutions and Professional Registration
Department of Labor and Industrial Relations
Office of Administration - Budget and Planning



Ross Strobe
Acting Director
June 10, 2013